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PRE-APPEAL BRIEF REQUEST FOR REVIEW

Docket Number (Optional): 363779/0002

I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to "Mail Stop AF, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450" [37 CFR 1.8(a)]

on February 16, 2006

Signature [signature]

Typed or printed name Charles E. Cantine

Application Number	Filed
09/834,171	April 12, 2001

First Named Inventor: MERRIN, Seth I., et al.

Art Unit	Examiner
3624	Charles R. Kyle

Applicant requests review of the final rejection in the above-identified application. No amendments are being filed with this request.

This request is being filed with a notice of appeal.

The review is requested for the reason(s) stated on the attached sheet(s).
Note: No more than five (5) pages may be provided.

I am the

- [ ] applicant/inventor.
- [ ] assignee of record of the entire interest. See 37 CFR 3.71. Statement under 37 CFR 3.73(b) is enclosed. (Form PTO/SB/96)
- [x] attorney or agent of record. Registration number 43,531.
- [ ] attorney or agent acting under 37 CFR 1.34. Registration number if acting under 37 CFR 1.34 ______

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February 16, 2006
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NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below*.

- [x] *Total of 1 forms are submitted.

REASONS FOR PRE-APPEAL BRIEF REVIEW

For the foregoing reasons, Applicants request a pre-appeal review in connection with the referenced application.

I. The Examiner Fails To Show A Proper Motivation to Combine

In rejecting the independent claims, the Examiner asserts that one of skill in the art would be motivated to modify Rickard to include the non-binding indications of Silverman2 because this would allegedly provide discretion of negotiating within an automated trading system. January 12, 2006 Office Action ("OA") at pages 3, 6-8. For the foregoing reasons, Applicant maintains that the combination is improper and that the rejections based on this combination should be withdrawn.

An applicant can rebut a prima facie case of obviousness by showing that the prior art teaches away from the claimed invention in any material respect. In re Peterson, 315 F.3d 1325, 1331 (Fed. Cir. 2003). Furthermore, the proposed combination of references cannot change the principle of operation of a reference. MPEP 2143.01 (VI). In this case, the combination of Rickard and Silverman2 is improper because each reference teaches away from the other and because the principle of operations of each are in conflict. Thus, one of skill in the art would not be motivated to modify Rickard in the manner as asserted by the Examiner. This deficiency in the Examiner's argument is not a question of the scope of the prior art. Instead, based on the Examiner's own characterization of the prior art, the combination is improper.

Rickard is directed towards an automated trading system. See Rickard, col. 2, line 60 to col. 3, line 11. The Examiner acknowledges as much. See OA at page 3. As described in Rickard, an offering party defines certain parameters under which it is willing to trade multiple securities simultaneously. Once the system of Rickard identifies one or more parties that satisfy these parameters, the system automatically executes the trade. See Rickard at col. 3, lines 12-31. Again, the Examiner acknowledges this. See, e.g., OA at page 2.

The automatic execution feature of Rickard is specifically described as overcoming the inefficiencies and risks associated with the prior art systems wherein the parties to the exchange had to negotiate with one another or use an intermediary. See Rickard at col. 2, lines 1-21. As described in Rickard, "the linked trader desires both anonymity of the fact that he is trading in linked securities and non-disclosure of his desired position in each of the securities to the market." Rickard, col. 2, 37-41. In sum, Rickard specifically teaches away from negotiated trading systems, which require disclosure of the traders' identities and their desired position.

Silverman2 acknowledges the known automated systems, like Rickard, and identifies drawbacks of those automated systems. See Silverman2, col. 1, line 26 to col. 2, line 34. After noting the drawbacks of automated trading systems, Silverman2 describes its system as specifically directed to a negotiated trading system. Again, the Examiner acknowledges this. See, e.g., OA at pages 2-3. As described in Silverman2, each party to a transaction must first enter a first set of transaction parameters. The system matches two parties based on the first set of transaction parameters. Once a match is made, the system invites the parties to negotiate a second set of

transaction parameters. Silverman2 is clear that a "transaction is only completed when both sets of transaction parameters are agreed upon by all parties to the transaction." Silverman2, col. 3, 37-48.

Because Rickard teaches away from negotiation, and because Silverman2 teaches away from automated systems, one of skill in the art would not be motivated to combine them as asserted by the Examiner. In fact, modifying Rickard to include a negotiation function as suggested by the Examiner would be directly contrary to the teachings of Rickard, which specifically teaches away from negotiation. In addition, the alleged "benefit" of providing negotiation within an automated system is not disclosed in Silverman2 as suggested by the Examiner. See OA at page 3. Instead, as noted above, the negotiated system of Silverman2 is directed specifically as an improvement and thus as an alternative to automated systems. Silverman2 simply does not describe any "benefit" of including a negotiation function within an automated system.

Finally, the Examiner alleges at page 4 of the Office Action that Silverman2 "accommodates" automated execution as well as negotiated trading, citing to Silverman2 at col. 5, 16-21. The Examiner's citation to and reliance on these two sentences, to the exclusion of the remainder and overwhelming teachings of Silverman2, is improper. It is impermissible within the framework of a §103 rejection to pick and choose from a reference only so much of it as will support a given position, to the exclusion of other parts necessary for a full appreciation of what the reference fairly suggests to one of skill in the art. <u>In re Wesslau</u>, 353 F.2d 238, 241 (CCPA 1965). As the Federal Circuit has made clear, a single line in a prior art reference should not be taken out of context and relied upon to show obviousness. Rather, a reference must be considered as a whole, and portions arguing against or teaching away from the claimed invention must be considered. <u>Bausch & Lomb, Inc. v. Barnes-Hind/Hydrocurve, Inc</u>., 796 F.2d 443 (Fed. Cir. 1986).

When read as a whole, it is clear that Silverman2 does not accommodate (or even suggest) automatic execution. Instead, as described in the Summary, as described in each of the examples, and as described in the paragraph preceding the one cited by the Examiner, the negotiated system of Silverman2 "only permits dealing between parties who are mutually acceptable counterparties based on the first set of transaction parameters (e.g., ranking, price, size and other "firm" parameters) and does not automatically execute transactions until the parties have agreed on all terms of the transaction." Silverman2, col. 5, 1-7 (emphasis added). The Examiner's reliance on two sentences, taken out of context, does not show compatibility of the systems of Rickard and Silverman2.

In sum, the combination of Rickard and Silverman2 is improper and the rejection of the independent claims, and the claims depending therefrom, should be withdrawn.

II. <u>The Examiner Ignores Explicit Claim Limitations and Fails to Make a Prima Facie Case of Obviousness</u>

In rejecting the claims, Applicants respectfully submit that the Examiner has improperly focused on discrete limitations and/or sub-limitations of the claims to the exclusion of the recited relationship among the various claim limitations. In so doing, the rejections frequently identify specific components—an order management system (OMS), a non-binding indication, a binding order, an electronic trading marketplace (ETM), an OMS database, etc.—without paying due attention or giving due weight to the relationships among such components as recited in the claims. In other instances, the Examiner gives the claims a broad reading, applying the prior art references to

general principles reflected in the claims, as opposed to actual, explicit limitations. The Examiner simply provides a laundry list of components and impermissibly ignores the claimed invention as a whole (See MPEP 2141.02) and impermissibly uses the claim and hindsight to arrive at the claimed invention. See MPEP 2141, II.

A. Independent Claims 1, 9, 16, 23, 31, 38, and 43-45

The independent claims are directed to methods and systems that interface with an order management system (OMS) and that include:

> **deriving non-binding indications to trade securities from records reflecting orders for the securities in an OMS database, and automatically providing such indications to an ETM.**

The claims are not simply directed to an order management system (OMS) and non-binding indications as alleged by the Examiner; instead, the claims recite a particular relationship between the OMS and the indications, namely that the **indications are derived from records for orders in the OMS** – a relationship neither taught nor suggested by the cited references, either alone or in combination and, moreover, not addressed by the Examiner.

For example, the Examiner mischaracterizes the claim and Applicant's arguments as simply "the capacity to provide non-binding indications to trade securities." OA at page 3. This is neither the argument, nor the claim language. The claim reflects a conversion from firm orders to non-binding indications; from the proverbial "apples" to "oranges." The claimed invention does not simply involve the combination of an order management system and non-binding indications to trade securities, but rather a specific relationship between records reflecting firm orders in an order management system database and non-binding indications.

The Examiner also argues that the references teach automatic execution of trades (See, e.g., OA at page 2), which is very different from the claimed limitation of automatically providing non-binding indications to the marketplace. Automatic execution in the references deals with the <u>execution of orders once the orders exist in a marketplace</u>, and not how the orders were <u>provided to the marketplace for execution</u>, which is the subject of the claim limitation. Automatically executing is not automatically providing. This is not an issue of what is the scope of the claims or the scope of the prior art: the Examiner simply has failed to address the explicit claim language.

B. Claims 45-47 (May 25, 2005 Amendment pp. 19-31)

Following the initial rejections of the original claims, Applicants' new representatives added new Claims (45-47) to better define the invention. Unfortunately, the Examiner has ignored the different, specific language of new Claims 45-47 and instead has based his rejections on broad generalizations of the invention. Specific claim limitations that have been ignored in the outstanding rejections are summarized below. Applicants respectfully submit that failure to address these limitations is a failure to establish a prima facie case of obviousness. See MPEP 2143.03.

Independent claim 45 recites a particular relationship among the OMS records, binding orders, non-binding indications and multiple marketplaces—**binding orders and non-binding**

indications generated from the same OMS record and placed on multiple marketplaces. The Examiner ignores this recited relationship, and thus the claim limitations, and instead simply points to a trading system for use with multiple markets in one reference (Rickard) and non-binding indications in a second reference (Silverman2). Nowhere does the Examiner argue that the references teach or suggest using the same OMS record to generate both a binding order for transmission to one marketplace and a non-binding indication for transmission to a second, separate marketplace. Failure to acknowledge this explicit limitation is a failure to make out a prima facie case of obviousness. This aspect of the claim is argued at pages 21-24 of the May 25, 2005 Amendment, where Rickard and Silverman2 are distinguished.

Dependent claim 46 further recites the distinguishing features of: (1) manually initiating transmission of binding orders to one market; and (2) without manual intervention: (a) reading records in the OMS database; (b) deriving non-binding indications from OMS records, and (c) providing the non-binding indications to another market, wherein the binding orders and the non-binding indications are based on the same OMS records. Nowhere does the Examiner argue that the combination of these claimed features are taught or suggested. Instead, the Examiner simply notes that, on one hand, manual initiation of binding orders was known and, on the other hand, automatic transmission of non-binding indications was known. No weight is given to the relationship that both the binding orders and non-binding indications are derived from the same records in an OMS database. The failure to address this claim limitation is a failure to establish a prima facie case of obviousness.

The Examiner also suggests that Silverman2 teaches automatic placement of non-binding indications, stating: "As noted above Silverman2 discloses this limitation." (OA at page 8); however, it is unclear to what "above" argument the Examiner refers because no such argument is made with respect to independent claim 45, from which claim 46 depends.

Dependent claim 47 is directed to: (1) "causing the record in the OMS database to be modified based on execution of the binding order in the first marketplace" and (2) such modification based on execution of the binding order also being "reflected in a non-binding indication in the second marketplace."

Again, the Examiner takes a superficial read of the claim and fails to address the explicit limitations, thereby failing to establish a prima facie case. The Examiner rejects claim 47 by simply referring to the rejections of claim 45 (from which claim 47 depends) and claims 10 and 14; however, the subject matter of claims 10 and 14 does not equal the subject matter of claim 47. Claim 10 is directed to creating records in the OMS in response to execution information received from the marketplace of non-binding indications, and claim 14 is directed to providing order information to the marketplace of non-binding indications based on changes to the OMS. Thus, both claims 10 and 14 are directed to changes in the marketplace of non-binding indications.

In contrast, claim 47 is directed to changes in a marketplace of binding orders causing changes in an OMS, and those changes in the OMS then being reflected in a second marketplace of non-binding indications. Thus, claim 47 recites a relationship between the market of binding orders, the OMS and the market of non-binding indications. The Examiner simply fails to address this claimed relationship.

The Examiner's rejection of **claim 44** is based on the rejection of Claim 1, a similar, but different claim - thereby ignoring explicit claim limitations of Claim 44. Unlike Claim 1, claim 44 recites that each of multiple trading firms has its own, separate OMS. While the Office Action addresses multiple OMSs being recited, it relies on a common, shared market database as meeting the recited OMSs, without ever addressing the explicit recitation of "each OMS being used by a different trading firm" and separate "first" and "second" OMSs.

The Examiner continues to take a broad-brush reading of the claims, ignoring the explicit definition of an OMS within claim 44 (which is not in original Claim 1). Claim 44 recites that each OMS is "used by a different trading firm to record its orders." This is not in Claim 1 or the Examiner's rejection of claim 1, which the Examiner references as the basis of his rejection of claim 44, and the rejection of claim 44 does not address it. Consistent with this failure to consider the recited definition of an OMS, the Examiner reads the single market database of Rickard (which includes all trading firms' orders and is the market) on the separate OMSs, which by the claim language, includes records prior to being sent to the market. Records that are used to generate orders to be sent to the market are not orders that have already been sent to and comprise the market. This is not simply a distinction in number, but rather a distinction in kind not addressed by the Examiner.

Like claim 44, **claim 43** explicitly recites multiple OMSs and further recites multiple interfacing modules, each of which interfaces with a separate trading firm's OMS. The Office Action fails to address the separate, trading firm-specific OMSs and interfacing modules. As such, the Examiner fails to set forth a prima facie case of obviousness with regard to both claim 43 and claim 44.

Respectfully submitted,

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